

Global Business Languages

Volume 10 *New Initiatives*

Article 8

12-1-2007

Miss Universe in the Land of Missery: Ecuador's Contradictory Development Package

Isabel Dulfano
University of Utah

Follow this and additional works at: <http://docs.lib.purdue.edu/gbl>

Recommended Citation

Dulfano, Isabel (2007) "Miss Universe in the Land of Missery: Ecuador's Contradictory Development Package," *Global Business Languages*: Vol. 10 , Article 8.
Available at: <http://docs.lib.purdue.edu/gbl/vol10/iss1/8>

Copyright © 2007 by Purdue Research Foundation. Global Business Languages is produced by Purdue CIBER. <http://docs.lib.purdue.edu/gbl>

This is an Open Access journal. This means that it uses a funding model that does not charge readers or their institutions for access. Readers may freely read, download, copy, distribute, print, search, or link to the full texts of articles. This journal is covered under the [CC BY-NC-ND license](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Isabel Dulfano
University of Utah

MISS UNIVERSE IN THE LAND OF MISSEY: ECUADOR'S CONTRADICTORY DEVELOPMENT PACKAGE

ABSTRACT

Given the wealth generated by oil reserves as well as the promise of economic recovery through dollarization, it is striking to note that the socio-political and economic reality of Ecuador contradicts theoretical predictions of prosperity and growth. Economics is only part of the explanation. In fact, social and cultural factors have had a dramatic impact on the current state of affairs in Ecuador. The country faces many of the challenges evident in other Latin American countries and thus serves as a microcosm of regional development issues. We examine the indigenous movement, economic crisis, rainforest preservation, migration, and other factors affecting sustainable development in Latin America. Given the convergence of these pressing topics in one country, this paper offers a model for an interdisciplinary program that could serve (1) the college population as a miniseminar abroad, or (2) the k-12 teachers endorsement credit option for Area Studies.

As alluring as Miss Universe appears to be, her beauty is only skin-deep. The recent pageant held in Quito, Ecuador (2004) for an international audience provoked a backlash that covered the capital city's walls with graffiti that indicted the political elite's allegiance to the US and concomitantly President Gutiérrez's endorsement of a US-Ecuador free trade agreement (TLC-Tratado de Libre Comercio). Criticism aimed at efforts by the organizing committee to make over the country's image into a thriving, stable, emerging, petroleum-rich economy, poured out in editorials, protests, and graffitilined walls. Indeed, on the surface, Ecuador promises bustling cities, steady electricity with fiber optic connectivity, cyber cafes and cheap telecommunications, educated and amicable people, excellent customer service, and many of the typical twenty-first century amenities available around the globe. However, as lofty as its aspirations to host the international extravaganza may have been, Ecuador does not possess the adequate infrastructure or

resources to compete on a par with other Latin American powerhouses, much less with the United States.

Although the net effect of bringing Miss Universe to Quito may have mollified some of the political tension, and sponsored much-needed infrastructure improvements, overall the *Quiteños* have expressed supreme dissatisfaction with the current state of affairs. Key among their complaints is the condemnation of the IMF and other international financial organizations for unrelenting pressure to service the debt, adamant and unified opposition to free-trade agreements, rejection of President Lucio Gutiérrez (sporting a 3% and rapidly disintegrating popularity rating in June 2003) and general distrust of corrupt public institutions. Given the dichotomy between Ecuador's reality and its "dress for success" spectacle, one may conclude that "you can dress her up, but she may not be ready to come out and play yet."

Struck by the paradoxes observed during a month-long trip to Ecuador on a Fulbright-Hayes group projects abroad grant, we have summarized information collected on the trip, as a model for structuring the content and delivery of other interdisciplinary academic programs abroad. Participants included academicians involved in kindergarten to university studies. The purpose of the project was to enhance the delivery of a Latin American Area Studies curriculum to the Utah public school system and improve the Spanish-speaking capabilities of the educators involved in the project. Lectures, seminars, and activities throughout the country focused on four themes in particular: (1) economics, including the Ecuadorian conversion to dollars and their foreign debt burden, (2) the indigenous movement and culture, (3) the environment, involving rain forest preservation and sustainable development, and (4) human migration. The format of this project with regard to content and travel itinerary serves as an excellent model for business/language study abroad alliances in the area studies field.

In essence Ecuador provides a microcosm of pivotal issues affecting contemporary Latin American nations, exacerbated in the short term by the diminutive size of the country, a 30% migration rate, recent dollarization, exorbitant foreign debt, a flight of petrodollars, and a mobilized indigenous movement. Although many Latin American nations share a similar plight today, the concentration of these pressing and volatile problems in oil-rich Ecuador has incited a crisis of huge proportions with ramifications for neighboring countries and the region. This article highlights the content of some of the seminars attended, as well as related research into the phenomena shaping contemporary Latin America as illustrated by the case of Ecuador.

INDIGENOUS MOVEMENT

A central topic we hoped to elucidate for the participants on the trip related to the indigenous peoples. We examined the social, political, economic, and cultural factors impacting their current situation. In order to do this, lectures by indigenous scholars in Quito and Otavalo, as well as a week-long stay on an indigenous *comunidad*, allowed participants to explore this complex topic from the theoretical and empirical realms. An essential component of this segment involved an articulation/ joint project between the University of Utah, CEPCU (Center for Pluricultural Studies, 1992), and the University of Otavalo. Lectures by professors, leading political activists, NGO executives, volunteers from international organizations, local small business owners and site visits around the San Pablo valley provided panoramic exposure to the circumstances influencing indigenous peoples' progress. Visits to entrepreneurial business ventures, innovative water treatment facilities, schools, the *paramo* highlands, a raptor sanctuary, and participation in the *Inti Raymi* festival, furnished participants with first-hand knowledge.

Why focus on the indigenous? Many social scientists consider Ecuador's indigenous movement to be the most effective in Latin America in terms of mass mobilization into a significant force of social and political protest. These people make up 25% of Ecuador's population, and yet characteristically wield limited power in politics. Notably though, the 1990s marked the first point in history when they were able to paralyze an entire country and influence political outcomes in Latin America. Nonetheless, the "politicization" of the indigenous masses spawned meager representation at the local and national level. In 2000, the process culminated with their crucial role in ousting former president Jamil Mahuad, and thereafter they were pivotal supporters of the Gutiérrez presidential bid in 2002.

On the surface, the movement appears united, whereas in fact, formal representation is split among several organizations. Luz María de la Torre, Director of the Center for Andean Studies at the University of Otavalo, outlined the divisions marking the major groups.

CONAIE (1986) (Consejo Nacional del Indígena Ecuatoriano) acts as an advisory council. The CONAIE initially sought to evaluate the social and political conditions shaping the indigenous people. A major focus of their efforts was the development of strategies which would advance political autonomy. To this end, CONAIE determined specific and unique political strategies, responding to the exigencies of the Indian population. Recently the confederation has focused on validating indigenous rights and

restructuring Ecuador as a plurinational state (Radcliffe et al., 2002; Andolina, 2004).

The political party Pachakutik-Nuevo País, formed in 1996, draws support from indigenous votes, but has backed a few nonindigenous candidates to date. Slowly gaining momentum through political coalitions with *mestizo* politicians, Pachakutik's platform is broad, subordinating the party's agenda to nonindigenous policy making. This strategy has alienated some indigenous supporters, as they feel it erodes their voice.

To round out the picture, two other national federations—one with links to labor unions, the other with a religious affiliation—are the Confederación Nacional de Organizaciones Campesinas, Indígenas y Negras (Confederation of Peasant, Indigenous and Black Organizations-FENOCIN, late 1960s) and Federación Ecuatoriana de Indígenas Evangélicos (the Ecuadorian Federation of Evangelical Indians-FEINE, 1980). These groups are often cited as leading sponsors of indigenous interest groups.

Given the discrete objectives of each group, internal divisions have plagued the national movement since the 1930s. Accordingly Pallares (2004) highlights two principal tensions that require resolution: "the difficulty of maintaining alliances with *mestizos* that do not ultimately disempower Indians, and the representativeness of indigenous leaders who acquire national power." In the late 1980s, the strategy of the indigenous majority was to join ranks with *mestizos* in their opposition to neoliberal policies. Nonetheless, the indigenous groups soon became weary of corrupt governments and *mestizo* politicians who betray promises upon assuming political office. As a result, the indigenous population is suspicious of alliances with the *mestizos*, and seeks equal power sharing arrangements in exchange for support.

As a sociologist-linguist, de la Torre traced the history of exclusion that has marked her people's struggle to reclaim their heritage. One key aspect of this exclusion lies in the semantic distortion of the lexicon used by both the Indians as well as the colonizers to refer to the "*indio*" as a catchall for something without worth, which is dirty, devoid of value, or more sordid than garbage. Because the definition of the word *Indian* evolved into a "*cosa conflictiva*"—a site of conflict, relegated to negative spaces—the movement first sought to overcome entrenched prejudices that had impeded solidarity, self-determination, autonomy, and self-respect within the community.

Formidable psychological barriers to self-determination have arisen as a result of these linguistic tendencies. The goal for the leaders is, and was, to deconstruct epithets alluding to insults, criticism, and denigration, which

over the centuries have acquired a meaning opposite to that of their original roots. For instance, the word *Runa* in Kichwa literally means “human being,” but is translated as “Indian,” denoting contemptible, base creatures of the lowest form. The derogatory meaning has been internalized by society at large, reinforcing bigotry and intolerance. De la Torre’s remarks underscore the institutionalization of racism, as well as the objectification of the Indian in order to legitimize the colonizer’s economic and political power, while oppressing and inculcating low self-esteem within the Indian community.

De la Torre also described the incipient solidarity movement among her people. She referred to the formal organizations mentioned before, which are leading efforts to bring equality to the indigenous. However, the main point of her talk was the need to find a solution from within the indigenous movement that will help move the disorganized masses toward a coherent platform that represents and defends their interests.

The heart of the indigenous social movement is located in Otavalo, also home to the commercial artisans known around the globe for their handicraft goods. Unlike the majority of emigrants from Ecuador, these people generally return to their communities and reinvest in the countryside. *Otavaleños* gained access to global markets in the 1980s by eliminating intermediaries, and the ensuing cash flow from sales provided surplus funds to buy back land, reinvest in the city, and return from abroad. This economic independence has empowered *Otavaleños* in their effort to reassert their heritage.

According to de la Torre, the reappropriation of the land and patrimony of the *Otavaleños* has been slow. The tedious and deliberate retaking of the public plaza in Otavalo in the late twentieth century epitomizes the difficulty of reclaiming those public spaces. For decades, the *mestizos* and whites had denied Indians access to the plaza, flagrantly stolen their clothing and artifacts, underpaid them for services and goods, and fined rebellious Indians who trespassed onto the plaza, a locus of *mestizo* control. Complete refusal to accept the legitimacy of the existing structures of domination as well as the controversial border demarcations led to acts of resistance (both overt and covert) whereby they eventually reclaimed the public square as their own. Today the plaza with its surrounding land has been repurchased by the indigenous people, displacing the *mestizo* colonizers and reestablishing Otavalo as an indigenous stronghold.

Korovkin (2000) delineates the course of political democratization in Ecuador through its multiple phases that ultimately provided an aperture for

the indigenous to gain legitimate power. The Law of the Communes (1937), agrarian and land reform (1964 and 1973), literacy campaigns of the 1980s in conjunction with the land takeovers described by de la Torre brought about a gradual shift in the attitudes and status of the indigenous. Legislative reform, begun in the 1930s, and the later transition from dictatorship to democracy created the possibility of organized rural political action, characterized in Ecuador as "Everyday Forms of Peasant Resistance" (EFPR) (Korovkin 2000). Although formal elements of democratization are essential stepping stones for integrating marginalized groups, EFPR functions as passive catalysts for change during dormant periods of political activity. In the Otavalo valley, indigenous communities, "*comunidades*," are the source of most EFPR, according to de la Torre.

The group project abroad participants spent five days living in three communities near Otavalo: Calloqui, Eugenio Espejo, and Pijal. The communities are particularly interested in developing agro/*comunidad* tourism, and the Group Project Abroad served as a pilot test project for future agrotourism plans. The communities are home to Cayambi: a cattle-raising tribe with an agricultural base, unlike the Otavalo merchants. The communities contain between 40 and 200 families, with quasi-socialist elements of organization and ideology. Each community shares a public meeting hall, an elementary school, a mill for grinding flour, a dairy product processing plant for cheese and yogurt, and a church. These communal buildings are built utilizing the Quechua tradition of "obras de minga." *Minga* refers to communal work projects, which today are executed by the members of a *comunidad* geared toward basic infrastructure improvement, such as water treatment plants, school physical plant improvement or plumbing projects. In addition, members attend monthly meetings to determine budget allocations, assess needs, and discuss other community concerns. In Calloqui, the head of the community reads announcements over a loud speaker every morning. Therefore, the communication among members is both formal and informal in nature, utilizing community bulletin boards and loudspeakers as well as mouth-to-mouth distribution. Information makes the rounds efficiently.

Each family claims the rights to its own plot of land, producing enough food for self-consumption. Subsistence living is augmented by the use of communal lands for cattle grazing or other collective activities. The family plot often has diversified grain, fruit, and vegetable cultivation. The *comunidades* receive training from agrotechnicians affiliated with a local indigenous NGO regarding crop diversification, milk production, sewage treatment, and more.

However, subsistence living must be supplemented with outside income. The children attend secondary school in a neighboring town, requiring some infusion of capital for supplies, uniforms, and transportation, beyond the conventional bartering system. Women remain at home during the day, tilling their fields, harvesting the crops and tending the animals, while a large percentage of men work off the farm in construction or machinery generating extra cash for the family. Average wages for men range between 200 to 300 dollars a month for five ten-hour days. On the weekend, the men work on the farm, helping their wives with daily chores. During the holiday season (i.e., summer solstice), the women machine-embroider traditional blouses for sale to the locals. In addition, they don this traditional garb while milking cows and feeding the chickens. The *Cayambi* men no longer sport traditional clothing, whereas the *Otavaleño* men still wear the tribal hat, white pants, long braided hair, and poncho. Around the world one can recognize the attire immediately.

The houses are simple, cement constructions, with no running water, heat, or mail delivery with minimal electricity, kitchens often located in outer structures, and outhouses lacking hot water. Electricity costs 30 dollars a month, and some families have a small store in the front room of the house, which pays for part of that expense. The system therefore is quite complicated by external costs that require a cash flow and have necessitated external employment. On the one hand their goals are to live in harmony with the land, develop sustainable farming models, advocate their right to subsistence farming, and educate their children. On the other hand, capitalism challenges the autonomy of their traditional lifestyle, forcing the men to migrate abroad, work in neighboring cities, and discard their traditional garb.

Although the north of Ecuador lacks many of the resources and infrastructure found in Quito, the individuals we spoke with were optimistic about the future, and have developed solid strategies for competing in the global marketplace. According to Roberto Conejo, President of CEPCU (Centro de Estudios Pluriculturales), an assessment of capital resources in Otavalo determined the region's competitive advantage lies in its landscape and cultural heritage. These can best be exploited through agrotourism, subsistence farming, and renewed utilization of native plants for export commercialization. The landscape, with its varied climates, offers textile production, handicrafts, and multiple formats for tourism from living on a farm to other outdoor ecotourism activities like trekking or academic exchanges. The rich cultural heritage lends itself to other lucrative activities: tourists can attend celebra-

tions during the harvest or a solstice/equinox, or experience indigenous lifestyles first-hand.

Several NGOs and small and medium enterprises (SME) or microfirms have established a duplicable model for autonomy and sustainable development in the region. NGOs are designing projects that address current and future basic needs. CEPCU is the first non-profit NGO of indigenous origins, located in Otavalo, with the express mission to promote sustainable development, enhance intercultural communication, and revitalize the identity of the native “pueblos” of Ecuador. It accomplishes these goals by training the local community members, creating effective organizational and local government behavior, and lending support to and designing public projects that improve the living conditions of the local population. Their three main areas of focus related to development are: (1) sustainable environmental impact, (2) financial enterprise, and (3) organizational development.

SMEs utilize the natural resources in the area in creative and lucrative ways as well. One SME in San Rafael has developed a way to process the *totorá* reeds that grow abundantly around the San Pablo Imbakucha lagoon, into paper, paper goods, and small souvenir handicrafts. The company is involved in another project to build *balsa* rafts, similar to the boats on Lake Titicaca, for lake tourism. The group visited the company and spent an hour speaking with the owner of the small firm.

With so much depending on their ability to exploit the landscape, growing concern has been expressed to protect this precious asset. Conscientious monitoring of environmental impact through pilot studies on ecological preservation indicates that the region is looking to the future with a critical eye toward profitable yet sustainable development.

RELATIONSHIP BUILDING IN ECUADOR

One of the most unique experiences from the trip occurred while we were in Otavalo. International business texts state the importance of building personal relationships in order to close a deal with Latin Americans. Taking time to familiarize oneself with the native customs can make all the difference. Our experience both in the cities and in the countryside corroborates this advice. The roots of this type of behavior relate to intertribal modes of interaction, but many practices continue today.

The president of CEPCU invited the Fulbright group to attend the annual *Inti Raymi*—Fiesta of the Sun God, during the week of the summer solstice. The celebration begins with a ritual bath for reinvigorating the body with

positive energy at midnight on June 22 at the sacred Peguche waterfall. Throughout the week the ensuing activities relate to paying tribute to the Sun God for the harvest, showing reverence to San Juan, reasserting independence from the colonial imperialist forces, as well as promoting and establishing relationships between organizations and communities.

To forge new alliances for future projects, CEPCU travels with a musical entourage from town to town during the celebration. As the guests of CEPCU, the women in our group donned the traditional costumes of the Cayambi, while the males wore chaps or colorful hoods, and the musicians wore masks. The group traveled to five communities around the valley of Laguna San Pablo. The first hour we traversed the streets of Otavalo, periodically stopping and dancing in circular fashion, while traffic waited to pass. Eventually we wound our way to the main plaza, where we danced and saw the incredulous faces of the *mestizos* and others. The implicit message conveyed by our group clad in native dress while dancing the harvest steps with members of CEPCU, was that local traditions can, and should, be embraced by all, even foreign Anglo visitors.

CEPCU is involved in numerous projects around the valley and in order to establish relationships and foster good will, it travels during *Inti Raymi* to towns where they have established projects or places where they would like to work. Upon arrival in a town, the dancing group performs for the onlookers, who offer *chicha* (a fermented beverage) to the sweaty dancers, and at the end present a lavish cane basket filled to the brim with potatoes, *mote*, corn, and meat in appreciation. Everyone shares the food that has been prepared by the local communities for the visiting troupe. Every element of the celebration is scripted and symbolic, with musicians called *Takikkuna*, as the axis of order, continuity, and harmony; the wise guide, *Aya Uma*, who herds the group through the streets; and *Tuskukkuna*, the outer ring of dancers, representing the earth's rotation around the sun. Dancing in a particular town signifies the continuation or initiation of relations and projects. Likewise, an exchange of chickens from one year to the next symbolizes a commitment to future engagement. As novices to this system, we found the jubilant prancing throughout the valley took on a higher meaning of social relationship building.

ECONOMIC CRISIS

Many Latin American countries have recently considered dollarization as a possible solution to the economic woes spurred by the debt burden (Jameson, 2003). Hence two economists in Quito presented broad overviews of Latin American development, the key factors impacting the current debt, and trends

toward dollarization in multiple countries. An informal survey of Ecuadorian opinion about the major problems facing the country in June 2004 indicates that the overwhelming response is disenchantment with the degree of corruption in the government. The 2003 Transparency International Corruption Perceptions Index confirms Ecuador at position 113 out of 133, lowest of Latin American countries. Ecuador scored lower than the USA, ranked at 18, Chile at 20, Spain at 23, Uruguay at 33, Cuba at 43, Costa Rica at 50, Colombia, El Salvador and Peru tied at 59 on the list, and Mexico at 64.

After corruption, Ecuadorians express disdain with their president, especially his overly friendly attitude to the US and foreign oil companies. Aligned with the strong anti-Lucio [Gutiérrez] sentiments is the opposition to a Free Trade Agreement with the US. The “David versus Goliath” legend resonates well with intellectuals, *mestizos*, or indigenous groups alike as emblematic of the current situation. Regardless of ethnic, political, or socio-economic lines, most agree that Ecuador cannot compete in export markets with the US and little benefit is perceived from signing an accord. Particularly grim was the assessment by an economist from the Central Bank of Ecuador and another from FLACSO (Institute for Social Sciences) who staunchly contradict the arguments promulgated by the World Bank, IMF, and US delegations expounding the inherent advantages of free trade alliances or debt restructuring.

Graffiti on the walls of Quito assert unequivocal disdain for the free trade agreement and its advocates in the government. Slogans like “Miss TLC” (Tratado de Libre Comercio—Free Trade Agreement), “Fuera Lucio y Yanquis,” “Baki = Miss TLC,” and many more that are not appropriate for publication accuse the government of having sold out the country, driving it to ruin like Argentina. In a photo journal of Quito, the graffiti stands out on pristinely painted walls as a testament to the abyss existing between the people and Gutiérrez’s government.

From the economic standpoint in Latin America, Ecuador is far less developed than other countries of the region. The economy has been stagnant since the 1980s and has shown little recovery in the 1990s. Petroleum, the primary export, provides 40% of the country’s export-earnings and one-fourth of the public sector revenues. Entrenched dependence on this non-renewable natural resource, born during the boom of the 1970s, is taking a toll on the environment and society. Given the profitable global market for oil, little diversification of economic activity has occurred over the last decades. Ecotourism, shrimp, bananas, and cacao constitute the secondary sources of income, though *Ecuador Review 2003* states that near-term backing for

foreign loans is aligned completely with high oil prices. Petroleum output in 2003 reached 415,000 barrels a day with approximately 275,000 barrels/day exported abroad. However, as lucrative as these production numbers appear, roughly 70% of the revenues pay off the foreign debt. Little evidence suggests that the oil revenues are providing money for infrastructure improvement either in the oil-rich “oriente” eastern region or elsewhere in the country.

Perhaps the best illustration of the flight of petrodollars lies in the passage to Tena, a window to the eastern jungle region. Tena is an impoverished city, with negligible traces of petroleum proceeds found on its unpaved roads. Leaving Quito for the main thoroughfare to the region of heaviest oil production and pipelines, a sinuous road hugs the mountainside as waterfalls cascade within inches of vehicles. Large chunks of road have been washed away, short sections yield cement or asphalt, and thus the passenger endures hours of bumping along over potholes and muddy chasms. The guidebook considers this picturesque whereas an actual traveler might not concur, as beautiful as the terrain is. The ascent through the cloud forest marks the initial deterioration of the road, while progressively deeper trenches have ostensibly paralyzed the huge machinery that stands inert along the roadside. Tractors lie abandoned and “danger” signs are painted on old tires. Not surprisingly, even right next to the pipeline, little improvement can be detected.

PETROLEUM AND RAINFOREST PRESERVATION

Another important topic impacting many Latin American countries is a lack of resource diversification, and sustainable rainforest development. In order to explore this subject, the group spent five days at Reserva Biológica Jatun Sacha, an ecological nature preserve. It offers volunteer work experience for school groups on the 2,000-acre jungle, lectures on flora and fauna, and access to local farmers, who try to balance subsistence living and global rainforest preservation. The owner of Jatun Sacha founded the reserve in order to protect the jungle and seek alternatives to the rainforest destruction caused by the oil pipeline. The need for such an organization becomes clear as one travels the access road that is scarred by a half-buried pipeline. The contrast between the shiny, freshly painted pipeline apparatus and the abysmal condition of the dirt road running parallel to it is striking. Located 20 kilometers from Tena along the Napo river, the area is reached after a bumpy car ride taking an hour. The public school and houses along the road reveal the poverty of the indigenous population inhabiting the area. Average wages per family, after taking into account subsistence farming, is \$255 annually.

Lectures by local inhabitants suggested several models for development exist in the jungle region. Some believe the route and pipeline should be eliminated completely, particularly since the poor condition of the road brings little benefit to the locals and is self-serving for the oil companies. Also the area is considered one of the most species-rich regions on earth. Nonetheless several species are disappearing as a result of logging and heavy transport. These groups advocate complete isolation and halting further development. They argue that potential oil pipeline spills, the hazards of oil exploration, logging, deforestation, and continued dependency on oil are having a negative impact on the health, economy, and cultures of the local communities.

Other groups have tried to promote the protection of the rainforest by substituting alternatives to cattle ranching and logging. Their goal is community development, preservation of culture, and natural resource conservation, based on reclaiming ancestral traditions. A local botanist at the reserve is reintroducing native plants and teaching the local people about how to cultivate them for use in the production and sale of natural handicrafts and goods. The Jatun Sacha foundation spearheads rural development projects that are environmentally sound and sustainable.

Another group, Kallari, has been able to commercialize jewelry and other crafts as well as cacao sales to United States and European markets. The association, established in 1997, sought economic alternatives to rainforest destruction. Since its inception, the number of families involved in Kallari has grown to more than 360, from various communities. Kallari's marketing philosophy is to "inspire Kichwa youth to learn traditional weaving and carving techniques" instead of resorting to deforestation for cattle raising, thereby protecting the ecosystem.

MIGRATION

Another significant source of government income after petroleum, comes from the repatriation of earnings in the form of emigrant remittances to remaining family members in Ecuador from workers in the US and Europe. These remittances in 2003 were estimated at 1.5 billion dollars or 5.6% of GDP (*Economist*, April 24, 2004). In 2001 remittances accounted for nearly the same amount as that, 1.7 billion dollars, earned by oil (*Ecuador Review* 2003). If oil dependency has grave environmental consequences, the second source of revenue is equally problematic. The social, economic, and cultural costs of migration are only now beginning to be realized.

A recent *New York Times* exposé on the plight and economics of the human smuggling trade from Ecuador to the United States illuminates the

hardships endured by migrants, the cost of illegal travel, as well as the incentives motivating both the United States and Ecuador to keep the immigrant pipeline active. Over 250,000 people utilize the Pacific Ocean fishing boat channel to gain access to Guatemala and then the Mexican border. However, most sources claim 30% of the population has migrated abroad; approximately 1.5 million Ecuadorians have gone to the United States alone. Compared to the rate of other countries, the number of undocumented Ecuadorians in the United States since 2000 has increased threefold from the previous decade. Passage to the United States costs an astronomical \$10,000 to \$12,000 in comparison to the GDP per capita of \$3,300 (estimated 2003). Typically the father travels first and sends remittances back once established. However based on our visit, anecdotal information suggests many men abandon their families and remain in the United States, eventually remarrying. In some villages 50% of the men were abroad, and only the wives and children inhabited the stark terrain.

According to a *Times* article by Thompson and Ochoa in 2004,

In the United States, the fight against the smuggling clashes with powerful economic interests that depend on illegal workers. Latin American governments, which have grown dependent on money sent home by migrants, put up little more than symbolic fights against smugglers and even celebrated illegal migrants as national heroes. (p. 10)

In Ecuador remittances have paved roads, allowed for palatial home construction in rural areas, and introduced numerous other tangible examples of material gains from abroad.

In response to the phenomenon of intensified transmigration taking place, a Catholic group called the Pastoral of Human Mobility has become active. Father Fernando Vega of Cuenca spoke to our group project about the ramifications of emigration in Ecuador over the past decade. Migration has begun to dismantle and unravel the social fabric of Ecuador; social, economic, and cultural costs run high. The Pastoral, sadly aware of the repercussions, is trying to stem the tide. Father Vega enumerated the steps his group is taking to mitigate the impact. Their efforts are four pronged: working with Ecuadorians who have migrated to New York, helping the family members who stay behind, assisting those who attempt and fail to cross the borders, and finally coordinating local services for immigrants from Colombia, Peru, or other countries who arrive in Ecuador. The pastors offer psychological, theological, and economic counseling to these people.

Migration has become the only option available to many Ecuadorians in recent years primarily as a compounded effect of the high foreign debt payments, massive unemployment, high inflation, and dollarization. The currency depreciation in 1999, when one dollar equalled 25,000 sucres, in conjunction with the banking crisis, led to desperate policy measures culminating in dollarization. After dollarization in 2000, workers' pay dropped to the equivalent of wages in the 1970s. The debt service and payment imposed by the IMF has made investment in necessary infrastructure and education difficult. Pensioners are on strike; public servants must work several jobs. Roadblocks and work stoppages are common events. On the upside, according to the BMI currency forecast, the risk of dollarization collapse is low, at 10%. Yet Hanke (2003) claims that even though dollarization has had positive results, "successive governments have failed to capitalize fully" on the potential, resulting in a terrible state of economic affairs. The uneven distribution of wealth continues to stretch the gap between the rich and poor.

Father Vega presented a compelling argument for humanizing globalization and the migration process. Transmigration is a constant in human history. However, today the smuggling trade and migratory patterns have reached crisis proportions in Latin America and many less-developed nations. Human capital is deserting the South and seeking a future in the aging, industrialized northern countries. The declining population and economic disparities existing between the North and South, as well as ease of travel and communication, are inciting mass movement around the globe, as documented in a special report in the *Economist* 2002 entitled "Outward Bound—Emigration."

Thomas Friedman in *Lexus and the Olive Tree* outlines a matrix that captures the four basic political identities people can choose from in the new system of globalization. Father Vega would be considered a "Social Safety Netter," one who believes:

that globalization will only be sustainable if it is democratized, in both economic and the political sense. Economically this means designing social safety nets that don't simply cushion the fall of the left-behinds, know-nots . . . but actually bring them into the system by helping them acquire tools and resources to compete. Politically it means encouraging democratization in developing countries that are globalizing, because there is no sustainable globalization without democratization. (pp. 353–354)

In fact, Father Vega works directly with human traffickers to discuss ways to humanize the process, and protect the individuals, many of whom die trying

to cross borders. For him, a central component of globalization is the staggering trend of human migration and its influence on the global system. Migration engraves a visible scar on the face of humanity. Whether or not it will heal depends on the policies and actions of governments, corporations, and traffickers alike, in his view. Ignoring the reality of global demographics, and pretending that migration is not a core crisis of our times, costs lives and money, of which we have too little to spare.

The monetary gain from remittances may be positive, but the transformation of the social structure is not. Divorce, crime, and suicide rates are on the rise, as is racism. Legislation aimed at limiting the rights of immigrants and curtailing freedoms legitimize intolerance and inequality. Many Latin American intellectuals are leaving. A lack of teachers, poor remuneration, minimal budget allocation for education, all result in an undereducated population that cannot compete globally. The migrants often do not teach their trade to their children, heightening marked gaps in the Ecuadorian workforce. As mothers join their husbands, high numbers of children are left in the care of their grandparents. Suicide is a major social concern due to economic pressures, failed attempts at immigration, or divided families. Father Vega, who deals with its aftermath every day, poignantly and vividly described the dire situation evoked by migration. Unfortunately, This occurs in many countries other than Ecuador.

CONCLUSION

This article outlines the four areas that our group studied while abroad. Other two-week projects through the University of Utah in Area Studies have proven highly successful, innovative, and informative for students involved in our Latin American Studies and International Studies program as well as other interdisciplinary programs. Prior to traveling to Ecuador, I had intended to write an article extolling the competitive advantages of the country. Notions of an oil-rich banana republic, a model for dollarization, and a free trade leader, had obfuscated the reality of the country's predicament. From the varied activities in which my group participated, it became clear that Ecuador's external facade is far removed from the exigencies imposed on its internal workings by global organizations and hegemonic powers. Perhaps it is a start to "dress for success," even if systemic problems have yet to be resolved. Ecuador offers a microcosm of both Latin America's problems and achievements, but the issue boils down to whether or not it will become a model for overcoming the formidable obstacles that stand between sustainable development or its demise.

BIBLIOGRAPHY

- Andolina, Robert (2003). The Sovereign and Its Shadow: Constituent Assembly and Indigenous Movement in Ecuador. *J. Lat. Amer. Stud.*, 35, 721–750.
- Ecuador Keeps Lead in World Bananas Export (Jan 23, 2003). Xinhua (China).
- Ecuador Review 2003* (2003). CountryWatch. <http://www.countrywatch.com>.
- Friedman, T. (1999). *The Lexus and the Olive Tree*. New York: Farrar, Straus and Giroux.
- Hanke, S. (Jul. 21, 2003). Dinar Plans. *Wall Street Journal*. A10.
- Jameson, K. (Sept. 2003). Dollarization in Latin America: Wave of the Future or Flight to the Past? *Journal of Economic Issues*, 37, 3, 643–663.
- Korovkin, T. (Apr. 2000). Weak weapons, Strong Weapons: Hidden Resistance and Political Protest in Rural Ecuador. *J of Peasant Struggles*, 27, 3, 1–29.
- Luz, María de la Torre (June 2004). Speech at Fulbright Commission, Quito, June 2004.
- Pallares, Amalia (Spring 2004). Indigenous Mobilization. *Hemisphere: A Magazine of the Americas*, 13, 14–18.
- Radcliffe, S., Laurie, N. and Andolina, R. (2002). Reterritorialised Space and Ethnic Political Participation: Indigenous Municipalities in Ecuador. *Space & Polity*, Vol. 6, No. 3, 289–305.
- The Economist* (Apr. 24, 2004). The Americas: Not so Loco; Ecuador, 371; 8372.
- The Economist* (Sep. 28, 2002). Special Report: Outward Bound—Emigration; Emigration London: 364, 8292; 28
- The Economist* (Aug. 5, 2000). Illegal Immigration: Worth Dying For. 3568182; 30.
- Thompson, G. and Ochoa, S. (June 13, 2004). By a Back Door to the U.S.: A Migrant's Grim Sea Voyage. *New York Times*. <http://www.nytimes.com/2004/06/13/international/americas/13ECUA.html?ex=1088223680&ei=1&en=42f147d89d3bb3a3>.